

### Section 1. - Certificates of Stock:

(a) The certificates of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and the number of shares, and shall be signed by (i) the President or Vice-President, and (ii) the Secretary or Treasurer, or any Assistant Secretary or Assistant Treasurer, and shall bear the corporate seal.

(b) There shall be entered on the stock books of the Corporation, at the time of the issuance of each share, the number of the certificate issued, the kind of certificate issued, the name of the person owning the shares represented thereby, the number of such shares, and the date of issuance thereof. Every certificate exchanged or returned to the Corporation shall be marked Cancelled with the date of cancellation.

### Section 2. - Lost or Destroyed Certificates:

The holder of any shares of stock of the Corporation shall immediately notify the Corporation of any loss or destruction of the certificate representing the same. The Corporation may issued a new certificate in the place of any certificate theretofore issued by it alleged to have been lost or destroyed, and the Board of Directors may require the owner of the lost or destroyed certificate, or his legal representative, to give the Corporation a bond in such sum as the Board may direct, and with such surety or sureties as may be satisfactory to the Board, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate. A new certificate may be issued without requiring any bond when, in the judgment of the Board of Directors, it is proper so to do.

### Section 3. - Transfers of Shares:

(a) Transfers of shares of the capital stock of the Corporation shall be made on the transfer books of the Corporation by the holder of record thereof, in person or by his duly authorized attorney, upon surrender and cancellation of the certificate or certificates representing such shares.

(b) The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to, or interest in such share or shares on the part of any other person, whether or not it or they shall have express or other notice thereof, except as otherwise expressly provided by law.

### Section 4. - Closing of Transfer Books:

The Board of Directors shall have the power to close the stock transfer books of the Corporation for a period of not more than ten (10) days during the thirty (30) day period immediately preceding (1) any stockholder's meeting, or (2) any date upon which stockholders shall be called upon to or have a right to take action without a meeting, or (3) any date fixed for the payment of a dividend or any other form of distribution, and only those stockholders of record at the time the stock transfer

books are closed, shall be recognized as such for the purpose of (1) receiving notice of or voting at such meeting, or (2) allowing them to take appropriate action, or (3) entitling them to receive any dividend or other form of distribution.

#### Section 5. - Agreements:

Whenever two (2) or more stockholders shall enter into a written agreement respecting their shares of stock in the Corporation, and shall deposit such agreement with the Corporation, the Board of Directors shall have the power to provide by resolution that the shares of capital stock owned by the signatory stockholders shall be transferable only in accordance with the provisions of such agreement, and may direct that a reference to such agreement be endorsed upon every certificate of stock affected thereby.

### ARTICLE VII - DIVIDENDS

Subject to applicable law, dividends may be declared and paid out of any funds available therefor, as often, in such amounts, and at such time or times as the Board of Directors may determine.

### ARTICLE VIII - EXECUTION OF INSTRUMENTS

All checks, drafts, bills of exchange, acceptances, bonds, endorsements, notes or other obligations, or evidences of indebtedness of the Corporation, and all deeds, mortgages, indentures, bills of sale, conveyances, endorsements, assignments, transfers, stock powers or other instruments of transfer, contracts, agreements, dividend or other orders, powers of attorney, proxies, waivers, consents, returns, reports, certificates, demands, notices or documents, and other instruments or rights of any nature, may be signed, executed, verified, acknowledged and delivered by the President without need of further authorization by the Board of Directors or by any such persons (whether or not officers, agents or employees of the Corporation) and in such manner as from time to time may be determined by the Board of Directors.

### ARTICLE IX - FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time as the needs of the corporate business requires.

### ARTICLE X - CORPORATE SEAL

The corporate seal shall be circular in form, and shall bear the name of the Corporation, the words Corporate Seal, and words and figures denoting its organization under the laws of Puerto Rico, and the year thereof, and otherwise shall be in such form as shall be approved from time to time by the Board of Directors.

### ARTICLE XI - AMENDMENTS

#### Section 1. - By Stockholders:

All By-Laws of the Corporation shall be subject to alteration or repeal, and new By-Laws may be made, by the affirmative vote of stockholders holding of record in the aggregate at least a majority of the outstanding shares of stock of the Corporation entitled to vote, given at any annual or special meeting, the notice or waiver of notice of which shall have summarized or set forth in full the proposed amendment.

Section 2. - By Directors:

The Board of Directors shall have power to make, adopt, alter, amend and repeal from time to time By-Laws of the Corporation; provided, however, that the stockholders entitled to vote with respect thereto as in this Article XI above-provided may alter, amend or repeal By-Laws made by the Board of Directors and may from time to time limit or define the right of the Board of Directors to alter, amend or repeal any by-law or By-Laws made or adopted by the stockholders.

ARTICLE XII - INDEMNITY

Any person made a party to any action, suit or proceeding, by reason of the fact that he, his testator or intestate representative is or was a director, officer or employee of the Corporation, or of any corporation in which he served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceedings, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding, or in connection with any appeal therein that such officer, director or employee is liable for negligence or misconduct in the performance of his duties.

The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any officer or director or employee may be entitled apart from the provisions of this section.

The amount of indemnity to which any officer or any director may be entitled shall be fixed by the Board of Directors, except that in any case where there is no disinterested majority of the Board available, the amount shall be fixed by arbitration pursuant to the then existing rules of the American Arbitration Association, as applicable to corporations organized in Puerto Rico.

\$ [REDACTED]

No. \_\_\_\_\_

July 30, 2001

UNITED STATES OF AMERICA  
COMMONWEALTH OF PUERTO RICO

PREFERRED ACQUISITIONS, INC. (the "Corporation") a Corporation duly constituted under the laws of the Commonwealth of Puerto Rico, for value received hereby promises to pay on July 30, 2001 to the order of ADS Partnership, or to its order, the principal sum of [REDACTED] Dollars (\$ [REDACTED]) and to pay monthly interest thereon from the date hereof at a rate of interest per annum (computed on a 360 days yearly basis and for the actual number of days elapsed) equal at all times to eleven percent (11%), until full payment of said principal sum and interest thereon.

Both the principal of and the interest on this note are payable in immediately available funds to ADS Partnership c/o Amide Pharmaceutical, Inc., 101 East Main Street, Little Falls, NJ 07424.

This note is issued under and pursuant to a Resolution duly executed by the President of the Corporation on July 6, 2000 providing for and authorizing the issuance of demand promissory notes up to aggregate amount of [REDACTED] Dollars (\$ [REDACTED]) pursuant and subject to the provisions of a certain Loan Agreement of even date, by and between the Corporation and ADS Partnership.

IN WITNESS WHEREOF, the Corporation has caused this note to be signed by its President, this 31<sup>st</sup> day of July, 2000.

PREFERRED ACQUISITIONS, INC.

By:

Name: Charles M. Austin

Title: President

\$ [REDACTED]

No. \_\_\_\_\_

September 18, 2001

**UNITED STATES OF AMERICA  
COMMONWEALTH OF PUERTO RICO**

**PREFERRED ACQUISITIONS, INC.** (the "Corporation") a Corporation duly constituted under the laws of the Commonwealth of Puerto Rico, for value received hereby promises to pay on September 18, 2001 to the order of Chandu Patel, or to its order, the principal sum of [REDACTED] Dollars (\$ [REDACTED]) and to pay monthly interest thereon from the date hereof at a rate of interest per annum (computed on a 360 days yearly basis and for the actual number of days elapsed) equal at all times to eleven percent (11%), until full payment of said principal sum and interest thereon.

Both the principal of and the interest on this note are payable in immediately available funds to Chandu Patel, 101 East Main Street, Little Falls, NJ 07424.

This note is issued under and pursuant to a Resolution duly executed by the President of the Corporation on September 7, 2000 providing for and authorizing the issuance of demand promissory notes up to aggregate amount of [REDACTED] Dollars (\$ [REDACTED]) pursuant and subject to the provisions of a certain Loan Agreement of even date, by and between the Corporation and Chandu Patel.

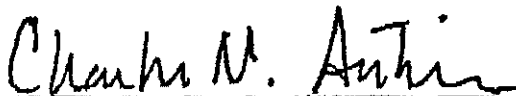
**IN WITNESS WHEREOF**, the Corporation has caused this note to be signed by its President, this 19<sup>th</sup> day of September, 2000.

**PREFERRED ACQUISITIONS, INC.**

By:

Name: Charles M. Austin

Title: President



**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
PREFERRED COMMUNICATION SYSTEMS, INCORPORATED**

(Pursuant to §§ 242 and 245 of the General Corporation Law of the State of Delaware)

The undersigned, being the Secretary of Preferred Communication Systems, Incorporated, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

A. The Corporation's original Certificate of Incorporation was filed under the name Preferred Communication Systems, Incorporated with the Secretary of State of the State of Delaware on January 15, 1998.

B. This Amended and Restated Certificate of Incorporation (the "Amended and Restated Certificate of Incorporation") restates and integrates and further amends the Certificate of Incorporation of the Corporation.

C. This Amended and Restated Certificate of Incorporation was duly adopted by consent of the stockholders of the Corporation in accordance with Sections 228, 242 and 245 of the General Corporation Law of the state of Delaware.

D. The text of the Certificate of Incorporation, as amended or supplemented heretofore, is further amended hereby and restated to read in full as set forth herein:

**FIRST:** The name of the Corporation is Preferred Communication Systems, Incorporated.

**SECOND:** The registered office of the Corporation in the State of Delaware is located at 5 Starboard Center, Rte. 1, Suite 0042, City of Bethany Beach, County of Sussex. The name of the registered agent of the Corporation at such address is Business Filings International, Inc.

**THIRD:** The purpose for which the Corporation is organized is to engage in any and all lawful acts and activity for which corporations may be organized under the General Corporation Law of Delaware. The Corporation will have perpetual existence.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 20,000,000 shares of capital stock, classified as (i) 5,000,000 shares of preferred stock, par value \$.001 per share ("Preferred Stock"), and (ii) 15,000,000 shares of common stock, par value \$.001 per share ("Common Stock").

The designations and the powers, preferences, rights, qualifications, limitations, and restrictions of the Preferred Stock and Common Stock are as follows:

1. Provisions Relating to the Preferred Stock.

(a) The Preferred Stock may be issued from time to time in one or more classes or series, the shares of each class or series to have such designations and powers, preferences, and rights, and qualifications, limitations, and restrictions thereof, as are stated and expressed herein and in the resolution or resolutions providing for the issue of such class or series adopted by the Board of Directors of the Corporation as hereafter prescribed.

(b) Authority is hereby expressly granted to and vested in the Board of Directors of the Corporation to authorize the issuance of the Preferred Stock from time to time in one or more classes or series, and with respect to each class or series of the Preferred Stock, to fix and state by the resolution or resolutions from time to time adopted providing for the issuance thereof the following:

(i) whether or not the class or series is to have voting rights, full, special, or limited, or is to be without voting rights, and whether or not such class or series is to be entitled to vote as a separate class either alone or together with the holders of one or more other classes or series of stock;

(ii) the number of shares to constitute the class or series and the designations thereof;

(iii) the preferences, and relative, participating, optional, or other special rights, if any, and the qualifications, limitations, or restrictions thereof, if any, with respect to any class or series;

(iv) whether or not the shares of any class or series shall be redeemable at the option of the Corporation or the holders thereof or upon the happening of any specified event, and, if redeemable, the redemption price or prices (which may be payable in the form of cash, notes, securities or other property), and the time or times at which, and the terms and conditions upon which, such shares shall be redeemable and the manner of redemption;

(v) whether or not the shares of a class or series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and, if such retirement or sinking fund or funds are to be established, the annual or other periodic amount thereof, and the terms and provisions relative to the operation thereof;

(vi) the dividend rate, if any, whether dividends are payable in cash, stock of the Corporation, or other property, the conditions upon which and the times when such dividends are payable, the preference to or the relation to the payment of dividends payable on any other class or classes or series of stock, whether or not such dividends shall be cumulative or noncumulative, and if cumulative, the date or dates from which such dividends shall accumulate;

(vii) the preferences, if any, and the amounts thereof which the holders of any class or series thereof shall be entitled to receive upon the voluntary or involuntary dissolution or liquidation of, or upon any distribution of the assets of, the Corporation;

(viii) whether or not the shares of any class or series, at the option of the Corporation or the holder thereof or upon the happening of any specified event, shall be convertible into or exchangeable for, the shares of any other class or classes or of any other series of the same or any other class or classes of stock, securities or other property of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions; and

(ix) such other special rights and protective provisions with respect to any class or series as may to the Board of Directors of the Corporation seem advisable.

(c) The shares of each class or series of the Preferred Stock may vary from the shares of any other class or series thereof in any or all of the foregoing respects. The Board of Directors of the Corporation may increase the number of shares of the Preferred Stock designated for any existing class or series by a resolution adding to such class or series authorized and unissued shares of the Preferred Stock not designated for any other class or series. The Board of Directors of the Corporation may decrease the number of shares of the Preferred Stock designated for any existing class or series by a resolution subtracting from such class or series authorized and unissued shares of the Preferred Stock designated for such existing class or series, and the shares so subtracted shall become authorized, unissued, and undesignated shares of the Preferred Stock.

## 2. Provisions Relating to the Common Stock.



(a) Each share of Common Stock of the Corporation shall have identical rights and privileges in every respect. The holders of shares of Common Stock shall be entitled to vote upon all matters submitted to a vote of the stockholders of the Corporation and shall be entitled to one vote for each share of Common Stock held.

(b) The holders of shares of the Common Stock shall be entitled to receive such dividends (payable in cash, stock, or otherwise) as may be declared thereon by the Board of Directors at any time and from time to time out of any funds of the Corporation legally available therefor.

(c) In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, the holders of shares of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of the Common Stock held by them. A liquidation, dissolution, or winding-up of the Corporation, as such terms are used in this subparagraph (c), shall not be deemed to be occasioned by or to include any consolidation or merger of the Corporation with or into any other corporation or corporations or other entity or a sale, lease, exchange, or conveyance of all or a part of the assets of the Corporation.

### 3. General.

(a) Subject to the foregoing provisions of this Certificate of Incorporation, the Corporation may issue shares of its Preferred Stock and Common Stock from time to time for such consideration (not less than the par value thereof) as may be fixed by the Board of Directors of the Corporation, which is expressly authorized to fix the same in its absolute and uncontrolled discretion subject to the foregoing conditions. Shares so issued for which the consideration shall have been paid or delivered to the Corporation shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payments in respect of such shares.

(b) The Corporation shall have authority to create and issue rights and options entitling their holders to purchase shares of the Corporation's capital stock of any class or series or other securities of the Corporation, and such rights and options shall be evidenced by instrument(s) approved by the Board of Directors of the Corporation. The Board of Directors of the Corporation shall be empowered to set the exercise price, duration, times for exercise, and other terms of such options or rights; provided, however, that the consideration to be received for any shares of capital stock subject thereto shall not be less than the par value thereof.

FIFTH: The number, classification, and terms of the Board of Directors of the Corporation and the procedures to elect directors, to remove directors, and to fill vacancies in the Board of Directors shall be as set forth in the bylaws of the Corporation.

SIXTH: Directors of the Corporation need not be elected by written ballot unless the bylaws of the Corporation otherwise provide.

SEVENTH: The directors of the Corporation shall have the power to adopt, amend, and repeal the bylaws of the Corporation.

EIGHTH: The following provisions are included for the purpose of ensuring that control and management of the Corporation remain with citizens of the United States and/or corporations formed under the laws of the United States or any of the states of the United States, as required by the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time (collectively, the "Communications Act"):

(a) The Corporation shall not issue to: (i) a person who is a citizen of a country other than the United States; (ii) any entity organized under the laws of a government other than the government of the United States or any state, territory, or possession of the United States; (iii) a government other than the government of the United States or of any state, territory, or possession of the United States; or (iv) a representative of, or an individual or entity controlled by, any of the foregoing (individually, an "Alien" and collectively, "Aliens") any shares of capital stock of the Corporation if such issuance would result in the total number of shares of such capital stock held or voted by Aliens (or for or by the account of Aliens) to exceed 25% of (A) the total number of all shares of such capital stock outstanding at any time and from time to time or (B) the total voting power of all shares of such capital stock outstanding and entitled to vote at any time and from time to time and shall not permit the transfer on the books of the Corporation of any capital stock to any Alien that would result in the total number of shares of such capital stock held or voted by Aliens (or for or by the account of Aliens) exceeding such 25% limits.

(b) No Alien or Aliens, individually or collectively, shall be entitled to vote or direct or control the vote of more than 25% of (i) the total number of all shares of capital stock of the Corporation outstanding at any time and from time to time or (ii) the total voting power of all shares of capital stock of the Corporation outstanding and entitled to vote at any time and from time to time, and issuances and transfers of capital stock of the Corporation in violation of this subsection (b) shall be prohibited.

(c) The Board of Directors shall have all powers necessary to implement the provisions of this Article EIGHTH and to ensure compliance with the alien ownership restrictions (the "Alien Ownership Restrictions") of the

Communications Act, including, without limitation, the power to prohibit the transfer of any shares of capital stock of the Corporation to any Alien and to take or cause to be taken such action as it deems appropriate to implement such prohibition, including placing a legend regarding restrictions on foreign ownership of the capital stock on certificates representing such capital stock.

(d) Without limiting the generality of the foregoing and notwithstanding any other provision of this Amended and Restated Certificate of Incorporation to the contrary, any shares of capital stock of the Corporation determined by the Board of Directors to be owned beneficially by an Alien or Aliens shall always be subject to redemption by the Corporation by action of the Board of Directors, pursuant to Section 151 of the General Corporation Law of the State of Delaware, or any other applicable provision of law, to the extent necessary in the judgment of the Board of Directors to comply with the Alien Ownership Restrictions. The terms and conditions of such redemption shall be as follows:

(i) the redemption price of the shares to be redeemed pursuant to this Article EIGHTH shall be equal to the lower of (A) the fair market value of the shares to be redeemed, as determined by the Board of Directors in good faith, and (B) such Alien's purchase price for such shares;

(ii) the redemption price of such shares may be paid in cash, securities or any combination thereof;

(iii) if less than all the shares held by Aliens are to be redeemed, the shares to be redeemed shall be selected in any manner determined by the Board of Directors to be fair and equitable;

(iv) at least 10 days' written notice of the redemption date shall be given to the holders of record of the shares selected to be redeemed (unless waived in writing by any such holder), provided that the redemption date may be the date on which written notice shall be given to holders if the cash or securities necessary to effect the redemption shall have been deposited in trust for the benefit of such holders and subject to immediate withdrawal by them upon surrender of the stock certificates for their shares to be redeemed duly endorsed in blank or accompanied by duly executed proper instruments of transfer;

(v) from and after the redemption date, the shares to be redeemed shall cease to be regarded as outstanding and any and all rights of the holders in respect of the shares to be redeemed or attaching to such shares of whatever nature (including without limitation any rights to vote or participate in dividends declared on capital stock of the same class or series as such shares) shall cease and terminate, and the holders thereof thereafter

shall be entitled only to receive the cash or securities payable upon redemption; and

(vi) such other terms and conditions as the Board of Directors shall determine.

For purposes of this Article EIGHTH, the determination of beneficial ownership of shares of capital stock of the Corporation shall be made pursuant to Rule 13d-3 under the Exchange Act.

NINTH: No contract or transaction between the Corporation and one or more of its directors, officers, or stockholders or between the Corporation and any person (as used herein "person" means other corporation, partnership, association, firm, trust, joint venture, political subdivision, or instrumentality) or other organization in which one or more of its directors, officers, or stockholders are directors, officers, or stockholders, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee which authorizes the contract or transaction, or solely because his, her, or their votes are counted for such purpose, if: (i) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors of the Corporation, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors of the Corporation or of a committee which authorizes the contract or transaction.

TENTH: The Corporation shall indemnify any person who was, is, or is threatened to be made a party to a proceeding (as hereinafter defined) by reason of the fact that he or she (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended. Such right shall be a contract right and as such shall run to the benefit of any director or officer who is elected and accepts the position of director or officer of the Corporation or

elects to continue to serve as a director or officer of the Corporation while this Article TENTH is in effect. Any repeal or amendment of this Article TENTH shall be prospective only and shall not limit the rights of any such director or officer or the obligations of the Corporation with respect to any claim arising from or related to the services of such director or officer in any of the foregoing capacities prior to any such repeal or amendment to this Article TENTH. Such right shall include the right to be paid by the Corporation expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall also be entitled to be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense is not permitted under the Delaware General Corporation Law, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of his or her heirs, executors, administrators, and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of stockholders or directors, agreement, or otherwise.

The Corporation may additionally indemnify any employee or agent of the Corporation to the fullest extent permitted by law.

As used herein, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

**ELEVENTH:** A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good

faith or which involve intentional misconduct or knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or amendment of this Article ELEVENTH by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation arising from an act or omission occurring prior to the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article ELEVENTH, a director shall not be liable to the Corporation or its stockholders to such further extent as permitted by any law hereafter enacted, including without limitation any subsequent amendment to the General Corporation Law of the State of Delaware.

TWELFTH: The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment as of the 23rd day of April, 1999.

By: 

Michelle Bishop  
Secretary

**CERTIFICATE OF INCORPORATION**  
**OF**  
**Preferred Communication Systems, Incorporated**

- FIRST:** The name of the corporation is: Preferred Communication Systems, Incorporated
- SECOND:** The address of the registered office of the corporation in the State of Delaware is located at 3 Starboard Center, Rm 1, Suite 0042, City of Bethany Beach, County of Sussex. The name of the registered agent at that address is Business Filings International, Inc.
- THIRD:** The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.
- FOURTH:** The total number of shares of stock which the corporation is authorized to issue is two million shares of common stock having a par of \$.001.
- FIFTH:** A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director of this corporation to the fullest extent of the laws of Delaware
- Any repeal or modification of the foregoing paragraph by the stockholders of the corporation existing at the time of such repeal or modification.
- SIXTH:** The name and address of the incorporator is Business Filings Incorporated, 214 North Henry, Suite 201, Madison, WI 53703.
- SEVENTH:** The name and address of the initial director of the corporation is: Charles M. Austin, 100 South Sunrise, #499, Palm Springs, CA 92262.

I, the undersigned, being the incorporator, for the purpose of forming a corporation under the laws of the State of Delaware do make, file, and record this Certificate of Incorporation and do certify that the facts herein are true.

  
Richard Oster, Vice-President  
Business Filings Incorporated

Dated: January 15, 1993

**BYLAWS  
OF  
PREFERRED COMMUNICATION SYSTEMS, INC.**  
*A Delaware Corporation*

**ARTICLE I. Principal Office**

**1.1 Office**

The address of the principal office of the Corporation shall be 170-C North Palm Canyon Drive in the city of Palm Springs and state of California. The Corporation may have other offices, either within or without of the State of Incorporation as the Board of Directors may designate or as the business of Corporation may require.

**ARTICLE II. Meetings of Shareholders.**

**2.1 Place of Meetings.**

The meetings of the shareholders shall be held at such place, either within or without of the state of California, as may be fixed by the Board of Directors.

**2.2 Annual Meetings.**

The annual meeting of the shareholders, for the election of Directors and transaction of any other business that may come before the meeting, shall be held in each year at the corporate offices or at any other place within or without of the state of California as may be determined by the Directors and as may be designated in the notice of that meeting. If that date is a legal holiday, the annual meeting shall be held on the next succeeding day that is not a legal holiday.

**2.3 Special Meetings.**

A special meeting, other than those regulated by statute, of the shareholders for any purpose or purposes may be called at any time by the President, by a majority of the Board of Directors, by designated officers of the Corporation, or by shareholders together holding at least 20% of the number of shares of the Corporation at the time outstanding and entitled to vote with respect to the business to be transacted at such meeting. At a special meeting, no other business shall be transacted and no corporate action shall be taken other than that stated in the Notice of the meeting.

**2.4 Notice of Meetings.**

Written or printed notice stating the place, day and hour of every meeting of the shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed not less than five nor more than sixty days before the date of the meeting to each shareholder of record entitled to vote at such meeting, at his/her address which appears in the share transfer books of the Corporation. If mailed, notice shall be deemed to be delivered when deposited in the United States mail. Such further notice shall be given as may be required by law, but meetings may be held without notice if all the shareholders entitled to vote at the meeting are present in person or by proxy or if notice is waived in writing by those not present, either before or after the meeting.

**2.5 Quorum.**

Any number of shareholders together holding at least a simple majority of the outstanding shares of capital stock entitled to vote with respect to the business to be transacted, who shall be present in person or represented by proxy at any meeting duly



called, shall constitute a quorum for the transaction of business. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned by a majority of the shareholders present or represented by proxy without notice other than by announcement at the meeting.

#### 2.6 Voting.

At any meeting of the shareholders, each shareholder of a class entitled to vote on any matter coming before the meeting shall, have one vote, in person or by proxy, for each share of capital stock of such class standing in his/her name on the books of the Corporation on the date, at least thirty days prior to such meeting, fixed by the Board of Directors as the record date for the purpose of determining shareholders entitled to vote. Every proxy shall be in writing, dated and signed by the shareholder entitled to vote or his/her duly authorized attorney-in-fact.

#### 2.7 Order of Business.

The order of business at all meetings of shareholders shall be as follows, unless otherwise adopted by the Board:

1. Roll call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes and acceptance of preceding meeting
4. Reports of officers
5. Reports of committees
6. Election of directors, if required
7. Unfinished business
8. New business

#### 2.8 Informal Action by Shareholders.

Unless otherwise provided by law, any action required to be taken at a meeting of shareholders, or other action which may be taken at a meeting of the shareholders, may be taken without a meeting if the shareholders give unanimous written consent setting forth the action to be taken and signed by all shareholders entitled to vote on the action.

### ARTICLE III. Directors.

#### 3.1 General Powers.

The property, business and affairs of the Corporation shall be managed and controlled under the direction of the Board of Directors, and, except as otherwise expressly provided by law, the Articles of Incorporation or these Bylaws, all of the powers of the Corporation shall be vested in such Board. Such management and general control will be by majority vote of the Board of Directors, with each Director having equal vote.

#### 3.2 Number of Directors.

The number of Directors constituting the Board of Directors shall be \_\_\_\_\_.

#### 3.3 Election and Removal of Directors.

- (A) Directors shall be elected at each annual meeting of shareholders to succeed those Directors whose terms have expired and to fill any existing vacancies.
- (B) Directors shall hold their offices a term of one year and until their successors are elected. Any Director may be removed from office at a meeting called expressly for that purpose by the vote of shareholders holding not less than a majority of the

shares entitled to vote at an election of Directors.

- (C) Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors, though less than a quorum of the Board, and the term of office of any Director so elected shall expire at the next shareholders' meeting at which Directors are elected.

#### 3.4 Quorum.

A majority of the number of Directors proscribed in these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority is present at a meeting, the majority of those present may adjourn the meeting without further notice.

#### 3.5 Regular Meetings of Directors.

An annual meeting of the Board of Directors shall be held without notice other than this bylaw immediately after, and at the same place as, the annual meeting of shareholders.

#### 3.6 Special Meetings of Directors.

Special meetings of Directors may be called at the request of the President, other duly authorized officer or any two Directors. The person or persons authorized to call special meetings of Directors may designate the place and time for holding any special meeting of Directors.

#### 3.7 Notice.

Notice of any special meeting shall be given at least 10 days previously thereto by written notice delivered personally or mailed to each director at his/her business address. If mailed, notice is deemed to be delivered when deposited in the United States mail. The attendance of a Director at a meeting shall be deemed to be a waiver of notice of such meeting unless the Director attends the meeting for the express purpose of objecting to the transaction of business at the meeting because the meeting is not properly called or convened. Meetings may be held at any time without notice if all of the Directors are present, or if those not present waive notice in writing either before or after the meeting.

#### 3.8 Compensation.

By resolution of the Board, Directors may be allowed a fee and expenses for attendance at all meetings, but nothing herein shall preclude Directors from serving the Corporation in other capacities and receiving compensation for such other services.

#### 3.9 Manner of Acting.

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Directors.

#### 3.10 Executive and Other Committees.

The Board of Directors may designate committees made up of Directors from time to time, as the Directors see fit. The purposes for which the committees are formed are to be designated by the Board. The committees may be dissolved by affirmative vote of the Board of Directors.

#### 3.11 Informal Action by Directors.

Unless otherwise provided by law, any action required to be taken at a meeting of Directors, or other action which may be taken at a meeting of the Directors, may be taken without a meeting if the directors give unanimous written consent setting forth the action to be taken and signed by all Directors entitled to vote on the action.

## 12 Indemnification.

The Corporation shall indemnify each of its directors, officers and employees whether or not then in services as such, against all reasonable expenses actually and necessarily incurred by him or her in connection with the defense of any litigation to which the individual may have been made a party because he or she is or was a director, officer or employee of the Corporation. The individual shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Corporation for negligence or misconduct in the performance of his/her or her duties, or was derelict in the performance of his/her or her duty as director, officer or employee. The right to indemnity for expenses shall also apply to expenses of suits which are settled if the court having jurisdiction of the matter shall approve of the settlement.

## ARTICLE IV. Officers.

### 4.1 Election of Officers; Terms.

The officers of the Corporation shall consist of a President, a Secretary and a Treasurer. Other officers, including a Chairman of the Board, Chief Executive Officer, Chief Operating Officer, one or more Vice-Presidents, and assistant and subordinate officers, may from time to time be elected by the Board of Directors. All officers shall hold office until the next annual meeting of the Board of Directors and until their successors are elected. Any two officers may be combined in the same person as the Board of Directors may determine.

### 4.2 Removal of Officers; Vacancies.

Any officer of the Corporation may be removed summarily with or without cause, at any time, by the Board of Directors. Vacancies may be filled by the Board of Directors.

### 4.3 Duties.

The officers of the Corporation shall have such duties as generally pertain to their respective offices as well as such powers and duties as are prescribed by law or are hereinafter provided or as shall be conferred by the Board of Directors.

### 4.4 Duties of the President.

Unless otherwise defined by the Board, the President shall be the Chief Executive Officer of the Corporation and shall be primarily responsible for the implementation of policies of the Board of Directors and shall have authority over the general management and direction of the business and operations of the Corporation and its divisions, if any, subject only to the ultimate authority of the Board of Directors. In the absence of the Chairman and the Vice-Chairman of the Board, or if there are no such officers, the President shall preside at all corporate meetings. The President may sign and execute, in the name of the Corporation, share certificates, deeds, mortgages, bonds, contracts or other instruments except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, the President shall perform all duties incident to the Office of the President and such other duties as may be assigned by the Board of Directors.

### 4.5 Duties of the Vice-Presidents.

Each Vice-President, if any, shall have such powers and duties as may be assigned to him or her by the President or the Board of Directors. Any Vice-President may sign and execute, in the name of the Corporation, deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except where the signing and execution thereof shall be expressly delegated by the Board of Directors or the President to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed.

#### 4.6 Duties of the Treasurer.

The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit all monies and securities of the Corporation in such banks and depositories as shall be designated by the Board of Directors. The Treasurer shall be responsible for maintaining adequate financial accounts and records in accordance with generally accepted accounting practices; for the preparation of appropriate operating budgets and financial statements; for the preparation and filing of all tax returns required by law; and for the performance of all duties incident to the office of Treasurer and such other duties as may be assigned to him or her by the Board of Directors, the Finance Committee or the President. The Treasurer may sign and execute in the name of the Corporation share certificates, deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed.

#### 4.7 Duties of the Secretary.

The Secretary shall act as secretary of all meetings of the Board of Directors and shareholders of the Corporation and, when requested, shall also act as secretary of the meetings of the committees of the Board of Directors. The Secretary shall keep and preserve the minutes of all such meetings in permanent books; see that all notices required to be given by the Corporation are duly given and served; have custody of the seal of the Corporation and shall affix the seal or cause it to be affixed to all share certificates of the Corporation and to all documents the execution of which on behalf of the Corporation under its corporate seal is duly authorized in accordance with law or the provisions of these Bylaws. The Secretary shall have custody of all deeds, leases, contracts and other important corporate documents; have charge of the books, records and papers of the Corporation relating to its organization and management as a Corporation; see that all reports, statements and other documents required by law (except tax returns) are properly filed; and in general perform all the duties incident to the office of Secretary and such other duties as may be assigned by the Board of Directors or the President. The Secretary may designate such subordinate officers or administrative personnel, as desirable, including Assistant Secretary, with the consent of the Board of Directors to carry out the duties of the office.

#### 4.8 Compensation.

The Board of Directors shall have authority to fix the compensation of all officers of the Corporation.

### ARTICLE V. Capital Stock.

#### 5.1 Certificates.

Certificates shall represent the interest of each stockholder of the Corporation. They shall be numbered and entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and the number of shares and shall be signed by the president or a vice-president and the treasurer or the secretary and shall bear the corporate seal.

#### 5.2 Lost, Destroyed and Mutilated Certificates.

Holders of the shares of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate thereof, and the Board of Directors may in its discretion cause new certificates for the same number of shares to be issued to such shareholder upon the surrender of the mutilated certificate or upon satisfactory proof of such loss or destruction.

#### 5.3 Transfer of Shares.

The shares of the Corporation shall be transferable or assignable only on the books of the Corporation by the holder in person or by attorney on surrender of the certificate for such shares duly endorsed and, if sought to be transferred by attorney, accompanied by a written power of attorney to have the same transferred on the books of the Corporation. The Corporation

will recognize, however, the exclusive right of the person registered on its books as the owner of shares to receive dividends and to vote as such owner.

#### **5.4 Fixing Record Date.**

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive a dividend payment, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders. Such date may not be more than sixty days prior to the date on which the particular action, requiring the determination of shareholders, is to be taken. If no record date is designated for the determination of shareholders entitled to notice of a meeting shareholders or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notices

of the meeting are mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

### **ARTICLE VI. Miscellaneous Provisions.**

#### **6.1 Seal.**

The seal of the Corporation shall consist of a flat-faced circular die, of which there may be any number of counterparts, on which there shall be engraved the word "Seal" and the name of the Corporation.

#### **6.2 Fiscal Year.**

The fiscal year of the Corporation shall end on such date and shall consist of such accounting periods as may be fixed by the Board of Directors.

#### **6.3 Checks, Notes and Drafts.**

Checks, notes, drafts and other orders for the payment of money shall be signed by persons authorized by the Board of Directors. When the Board of Directors so authorizes, however, the signature of any such person may be a facsimile.

#### **6.4 Amendment of Bylaws.**

Unless proscribed by the Articles of Incorporation, these Bylaws may be amended or changed at any meeting of the Board of Directors by affirmative vote of a majority of the number of Directors fixed by these Bylaws. The shareholders entitled to vote in respect of the election of Directors, however, shall have the power to rescind, amend, alter or repeal any Bylaws and to enact Bylaws which, if expressly so provided, may not be amended, altered or repealed by the Board of Directors.

#### **6.5 Dividends.**

The directors may declare, and the Corporation pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law.

## **PREFERRED ACQUISITIONS, INCORPORATED**

### **Consent of Sole Director**

Pursuant to Articles 1.09 and 4.01 of the General Corporation Law of 1995, as amended, the undersigned, being the sole member of the Board of Directors (the "Board") of Preferred Acquisitions, Incorporated (the "Corporation"), a Puerto Rico corporation, does hereby consent to and approve the adoption of the following resolution and each and every action effected hereby:

**"WHEREAS**, the Corporation was incorporated on July 23, 1999 to acquire and aggregate wireless telecommunications licenses for development and any other licit business for which a corporation can be organized under Puerto Rico law;

**WHEREAS**, the Board deems it advisable and in the best interest of the Corporation to adopt the attached by-laws;

**WHEREAS**, the Board deems it advisable and in the best interest of the Corporation to nominate and hereby elects Charles M. Austin to serve as Director in the Corporation's Board;

**NOW THEREFORE, BE IT RESOLVED**, the attached by-laws are hereby adopted;

**FURTHER RESOLVED**, that Charles M. Austin is hereby named a director to this Board."

**IN WITNESS WHEREOF**, the undersigned sole member of the Board of Directors, has executed this **CONSENT** on the date indicated beside her signature.

By: \_\_\_\_\_  
Michelle D. Bishop

Date: August 10, 1999

## **PLEDGE AGREEMENT**

**THIS PLEDGE AGREEMENT** (this "Pledge Agreement") dated as of July 31, 2000, made by Preferred Communication Systems, Inc., a Delaware corporation (together with any successors, the "Pledgor"), in favor of ADS Partnership, a New Jersey partnership (the "Lender"). All capitalized terms not defined herein shall have the meanings ascribed to them in the Term Loan Agreement (as defined hereinbelow).

### **WITNESSETH**

**WHEREAS**, Preferred Acquisitions, Inc. a Puerto Rico corporation (the "Borrower") has entered into a Term Loan Agreement, as the same may be amended from time to time, dated as of July 31, 2000, with the Lender (the "Agreement");

**WHEREAS**, the Pledgor is the sole shareholder of all of the Borrower's issued and outstanding common stock;

**WHEREAS**, in order to induce the Lender to enter into the Agreement with Borrower, the Pledgor has agreed to pledge its equity interest in the Borrower (equivalent to 100,000 shares of common stock) pursuant to an agreement by which the Pledgor has granted to the Lender a continuing security interest in such equity interest (hereinafter, the "Collateral") to secure the Borrower's Obligations (as hereinafter defined) under the Agreement;

**WHEREAS**, it is a condition precedent to granting the credit by Lender to the Borrower that the Pledgor execute and deliver this Pledge Agreement, and the Pledgor desires to execute and deliver this Pledge Agreement to satisfy such condition precedent.

**NOW THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Defined Terms.** The following terms shall have the meanings specified below.  
"Obligations" shall mean all of the Borrower's obligations to the Lender under the Agreement.
2. **Pledge of the Collateral.** As security for the Borrower's Obligations from time to time outstanding, the Pledgor hereby pledges 100,000 shares of common stock of the Borrower in accordance with the terms stipulated in the Agreement and agrees that the Collateral shall secure any and all of the Obligations of Borrower under the Agreement. The Lender shall be entitled to hold the Collateral in pledge until payment in full of all of the Obligations then outstanding. At any time after an Event of Default hereunder shall have occurred, and while such Event of Default shall be continuing and unremedied, the Lender shall be entitled, without notice to or demand upon the Pledgor, to foreclose the pledge of the Collateral.
3. **Application of Funds.** Any amounts realized by the Lender from the foreclosure of the pledged Collateral hereunder shall be applied by the Lender towards the payment of the Obligations then outstanding, which application shall be made first, to all reasonable costs and expenses of the Lender (including reasonable attorneys' fees) incurred in the collection and foreclosure of the Collateral, and any and all of the Obligations; second, so much of such amounts, if any, remaining, to the payment of the Obligations then outstanding; and third, any balance of such amounts remaining shall be distributed by the Lender to the Pledgor, or to any other person or legal entity who may be legally entitled thereto.



4. Miscellaneous.

- a. Further Assurances. The Pledgor hereby agrees to promptly execute and deliver such additional agreements and instruments and to promptly take such additional action as the Lender may at any time and from time to time request in writing in order for the Lender to obtain the full benefits and rights granted or purported to be granted by this Pledge Agreement, the Agreement, and to fully and continually perfect the security interest created hereby.
- b. No Waiver; Cumulative Remedies. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder or under or in connection with the Collateral shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or under or in connection with the Collateral. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
- c. Amendments, etc. No amendment, modification, termination or waiver of any provision of this Pledge Agreement, or the Agreement, nor any consent to any departure by the Pledgor or the Borrower thereunder shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the